

BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS

2004 JUN -2 P 4: 23

Application of)
)
US AIRWAYS, INC.)
)
for an exemption pursuant to 49 U.S.C. § 40109)
(United States – Central America))
)

Docket OST-04-18003 -)

**APPLICATION OF US AIRWAYS, INC.
FOR AN EXEMPTION
(United States – Central America)**

Communications with respect to this document should be sent to:

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June 2, 2004

NOTICE: Answers to this application must be filed and served on all parties on the attached service list on or before June 17, 2004.

BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
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Application of)	
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)	Docket OST-04-_____
for an exemption pursuant to 49 U.S.C. § 40109)	
(United States –Central America))	June 2, 2004
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**APPLICATION OF US AIRWAYS, INC.
FOR AN EXEMPTION
(United States – Central America)**

Pursuant to 49 U.S.C. § 40109 and Subpart C of the Department’s Rules of Practice (14 C.F.R. Part 302), US Airways, Inc. (“US Airways”) hereby applies for an exemption and, to the extent necessary, designations in order to engage in scheduled foreign air transportation of persons, property and mail between a point or points in the United States, on the one hand, and Honduras, Nicaragua, and Panama, on the other hand, and beyond. US Airways is also applying herein for route integration authority to combine this exemption authority with US Airways’ other authorities.

In support of this application, US Airways respectfully states as follows:

1. US Airways continues to enhance its presence throughout Central America and the Caribbean with its own flights and by code-sharing with its various airline partners. These services enable US Airways to offer its customers travel opportunities throughout that region, increase competition, and provide additional on-line connecting options for passengers.

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2. In that regard, US Airways currently operates service to the Bahamas, Bermuda, Turks & Caicos, Jamaica, Dominican Republic, Puerto Rico, United States Virgin Islands, St. Maarten, St. Kitts & Nevis, Antigua, Barbados, Grenada, Aruba, St. Lucia, Grand Cayman, Costa Rica, Belize, and Mexico (Cancun, Cozumel, and Mexico City).

3. In order to have the flexibility to implement services to Honduras, Nicaragua, and Panama with its own aircraft or through code-sharing as conditions warrant, US Airways requests an exemption from 49 U.S.C. § 41101 and, to the extent necessary, designations permitting US Airways to engage in scheduled foreign air transportation of persons, property and mail from a point or points in the United States, on the one hand, to a point or points in Honduras, Nicaragua, and Panama, on the other hand, and beyond. US Airways also applies for route integration authority to combine this exemption authority with US Airways' other authorities.

4. US Airways is a Delaware corporation with its principal office at 2345 Crystal Drive, Arlington, Virginia 22227. US Airways is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15)(C) and is fit, willing and able to serve Honduras, Nicaragua, and Panama from the United States. US Airways holds various certificates of public convenience and exemption authorities, including certificate authority between select U.S. gateways and Honduras, Nicaragua, and Panama. *See, e.g.*, DOT Order 97-7-2 (various foreign authorities¹); Notice of Action Taken, May 16, 2003 (U.S.-Barbados); DOT Order 02-5-25 (U.S.-France). Pursuant to Rule 24 of the

¹ US Airways has certificate authority for ATL/BWI/DFW/MIA/EWR/MSY/NYC/TPA/WAS – Honduras/Nicaragua/Panama services. *See* DOT Order 97-7-2, Route 87-F.

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Department's Rules of Practice, US Airways requests that the Department take official notice of all information previously filed to establish US Airways' fitness.

5. These services would enable US Airways to develop its presence in Central America further and to offer consumers and shippers expanded, competitive service options to/from that region. The substantial consumer benefits generated by these services demonstrate that granting this application will be in the public interest.

6. US Airways states that approval of this application will have no effect on its CRAF commitments.

7. Honduras, Nicaragua, and Panama have Open Skies air transportation agreements with the United States. Each agreement expressly provides for the broad authority requested herein. *See* U.S.-Honduras Agreement, Annex I, Section 1(A)(1); U.S.-Nicaragua Agreement, Annex I, Section 1(A); and U.S.-Panama Agreement, Annex I, Section 1(A)(1). Indeed, with respect to the exemption authority sought by US Airways, the Department has previously granted similarly broad authority to U.S. carriers for services to Honduras, Nicaragua, and Panama. *See, e.g.*, DOT Order 99-2-8 (Delta's Route 152); DOT Order 00-8-19 (Continental's Route 29-F).

8. US Airways seeks broad "all points" authority in order to obviate the need to file another application (requiring additional time and Department resources) in the future should additional services operated by US Airways or code-sharing be warranted. Although US Airways does not plan to implement these services immediately upon receipt of the exemption authority sought herein, the Department should nonetheless grant this broad authority in these Open Skies markets so that US Airways can continue to expand incrementally in Central America as conditions warrant.


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9. Given US Airways' plans to expand into these markets incrementally as conditions warrant, US Airways submits that its application raises no environmental or energy issues and anticipates no difficulties in obtaining adequate fuel supplies for this service.

10. US Airways will accept and abide by all terms, limitations, and conditions that the Department normally attaches to exemption authority for scheduled foreign air transportation. US Airways asks that this requested authority be granted for a term of at least two (2) years.

11. The requisite filing fee is enclosed.

WHEREFORE, US Airways respectfully requests that its application for an exemption, designations (to the extent necessary), and route integration authority as discussed herein be granted.



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June 2, 2004

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CERTIFICATE OF SERVICE

I certify that, on June 2, 2004, I caused to be served a copy of the foregoing Application of US Airways, Inc. for an Exemption (U.S.-Central America) by first-class mail, postage pre-paid, or e-mail, upon those persons listed below:

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(U.S.-Central America)

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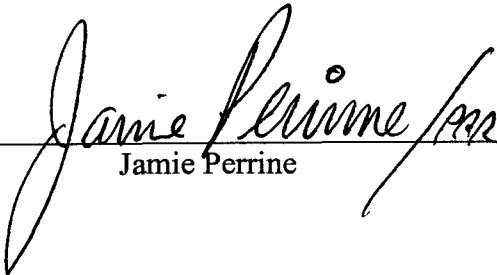
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(U.S.-Central America)

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DATED: June 2, 2004



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